24 July 2002

02 AUG -7 Mil 12: 69

SEVERN

TRENT

ENVIRONMENTAL LEADERSHIP

Severn Trent Pic

2297 Coventry Road Birmingham B26 3PU

Tel 0121 722 4000 Fax 0121 722 4800 www.severn-trent.com

Direct Line 44 121 722 4840 Direct Fax 44 121 722 4290 Our Ref MLW

03049102

Dear Sir/Madam

Room 3094 (3-6) 450 Fifth Street

USA

Washington DC 205549

I enclose a copy of a Company Announcement released today.

Yours faithfully,

M. Woodall

The File Desk (Ref 822819)

Division of Corporate Finance

Securities Exchange Commission

Michelle Woodall Senior Company Secretarial Assistant

Enc.

PROCESSED

AUG 0 8 2002

THOMSON
FINANCIAL

DD 97

On 23 July 2002, Severn Trent QUEST Limited (a wholly owned subsidiary of Severn Trent Plc permitted to subscribe for shares in the company to satisfy options granted under the Company's Sharesave scheme) subscribed for 11,479 Ordinary shares of 65 5/19 pence each to satisfy the exercise of options by participants in the scheme. These shares were then transferred to participants on the same day. The executive directors of Severn Trent Plc were deemed to have a technical interest in the 11,479 shares when Severn Trent QUEST Limited subscribed for the shares and ceased to have an interest when the shares were transferred to the participants.

www.severntrent.com